



WAM CAPITAL LIMITED (WAM)
INVESTMENT UPDATE & NTA – MAY 2009

WAM Capital Limited (WAM) is an investment company whose mission is to provide superior returns to its investors over the medium to long term. WAM is managed by Wilson Asset Management (International) Pty Limited.

Since inception in August 1999 WAM has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividends) has increased by 386.4% compared to a 91.8% increase in the S&P/ASX All Ordinaries Accumulation Index.

- In May WAM's gross portfolio (before all fees, costs and taxes) increased by 3.63%, while the S&P/ASX All Ordinaries Accumulation Index increased by 2.15%.
- The gross portfolio has decreased by 6.82% while the S&P/ASX All Ordinaries Index has fallen by 25.09%.

NTA before tax payable and after tax assets	136.61c*
NTA after tax and before tax on unrealised gains	136.61c*
NTA after tax	133.66c*

*This figure includes 10.7 cents per share in tax assets.

MARKET OUTLOOK

The Australian sharemarket consolidated in May with a 2.2% gain. While most investors believed a correction was due after the violent bounce in prices in March and April, no such event took place. Since the market bottom on March 6, the S&P/ASX All Ordinaries index has rallied a staggering 28%. A combination of improving economic news and investors desperate to gain exposure to equities have driven prices higher.

The market cannot keep rising at the pace of the last 100 days. However, it is becoming more likely each day that March was the low for the cycle. We believe the market will consolidate its gains and edge higher over the course of 2009. There will be corrections but the trend will be up. In recent times we have increased our market exposure due to extreme valuations and improving business conditions.

PERFORMANCE

Set out below is the performance of WAM Capital Limited since listing to **31 December 2008**:

	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1999/2000	+33.3%	+11.3%	+22.0%
2000/2001	+30.2%	+8.9%	+21.3%
2001/2002	+32.7%	-4.5%	+37.2%
2002/2003	+12.3%	-1.1%	+13.4%
2003/2004	+27.3%	+22.4%	+4.9%
2004/2005	+13.9%	+24.8%	-10.9%
2005/2006	+27.4%	+24.2%	+3.2%
2006/2007	+44.1%	+30.3%	+13.8%
2007/2008	-23.0%	-12.1%	-10.9%
Half year 2008/09	-16.3%	-29.7%	+13.4%

Set out below is the performance of WAM Capital Limited since listing to **31 May 2009**:

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	-14.2%	-30.6%	+16.4%
3 years	+1.3%	-4.4%	+5.7%
5 years	+8.7%	+6.4%	+2.3%
7 years	+11.2%	+6.3%	+4.9%
Since inception	+17.9%	+7.0%	+10.9%

*The change in the portfolio before all expenses, fees and taxes.

PORTFOLIO STRUCTURE & STRATEGY

As at 31 May 2009, listed securities made up approximately 64.3% of the portfolio, while fixed interest and cash made up the remaining 35.7%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

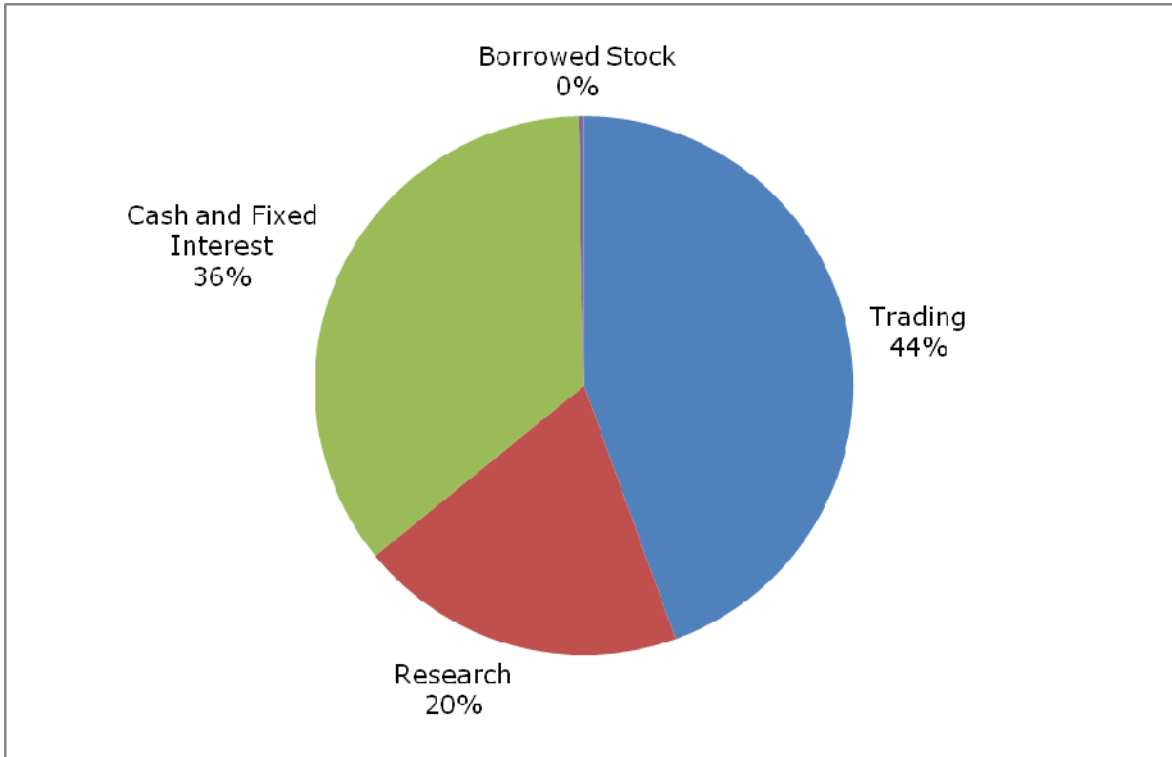
Investment Type	As at 30 April 2009		As at 31 May 2009	
	\$m	%	\$m	%
Listed Equities	71.23	56.4%	83.89	64.3%
Fixed Interest and Cash	55.02	43.6%	46.50	35.7%
Long Portfolio	126.25	100.0%	130.39	100.0%
Short Portfolio	(0.44)	100.0%	(0.44)	100.0%
	No.		No.	
Total no. of ord shares on issue	102,785,383		102,785,383	

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

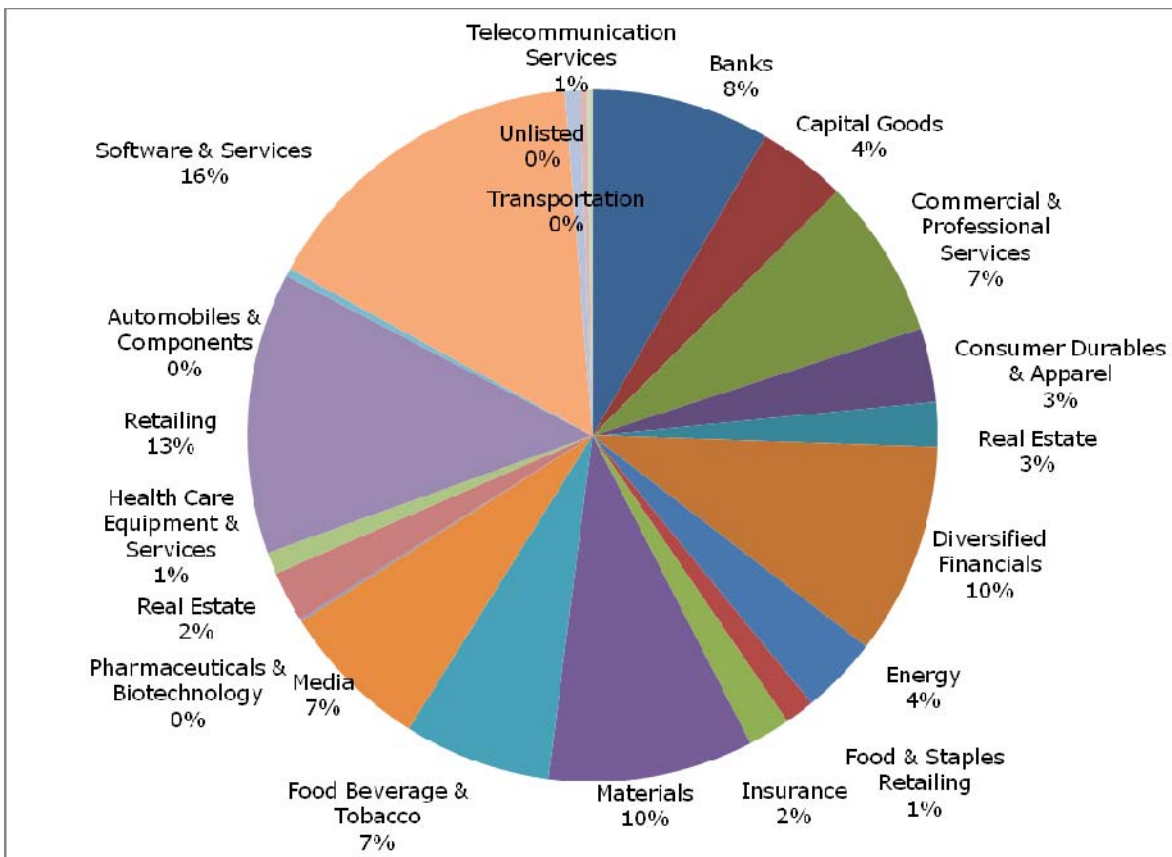
At 31 May 2009 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE \$	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
RKN	Reckon Ltd	5,600,910	6.7%	4.3%
LNN	Lion Nathan Ltd	4,374,525	5.2%	3.4%
MMS	McMillan Shakespeare Ltd	3,346,849	4.0%	2.6%
MCP	McPherson's Ltd	2,738,028	3.3%	2.1%
PBG	Pacific Brands Ltd	2,319,659	2.8%	1.8%
RRA	RR Australia Ltd	2,310,610	2.8%	1.8%
MLB	Melbourne IT Ltd	2,219,155	2.6%	1.7%
MLE	Macquarie Leisure Trust Group	1,827,776	2.2%	1.4%
WBC	Westpac Banking Corporation	1,784,876	2.1%	1.4%
FBU	Fletcher Building Ltd	1,770,396	2.1%	1.4%
MCU	Mitchell Communications Group Ltd	1,683,309	2.0%	1.3%
RHG	RHG Ltd	1,656,478	2.0%	1.3%
OST	OneSteel Ltd	1,602,366	1.9%	1.2%
EFG	Everest Financial Group Ltd	1,563,407	1.9%	1.2%
CEY	Centennial Coal Company Ltd	1,471,680	1.8%	1.1%
AHE	Automotive Holdings Group Ltd	1,465,840	1.7%	1.1%
SEK	Seek Ltd	1,451,605	1.7%	1.1%
RCG	RCG Corporation Ltd	1,433,100	1.7%	1.1%
AAC	Australian Agricultural Company Ltd	1,392,840	1.7%	1.1%
ABC	Adelaide Brighton Ltd	1,388,603	1.7%	1.1%
CCQ	Contango Capital Partners Ltd	1,334,375	1.6%	1.0%
CIW	Clime Investment Ltd	1,326,989	1.6%	1.0%
SKT	Sky Network Television Ltd	1,305,678	1.6%	1.0%
PGA	Photon Group Ltd	1,298,874	1.5%	1.0%
SMX	SMS Management & Technology Ltd	1,251,296	1.5%	1.0%
NWS	News Corporation	1,240,416	1.5%	1.0%
CLO	Clough Ltd	1,238,303	1.5%	1.0%
TSE	Transfield Services Ltd	1,228,952	1.5%	0.9%
BLD	Boral Ltd	1,188,440	1.4%	0.9%
OKN	Oakton Ltd	1,182,089	1.4%	0.9%
WES	Wesfarmers Ltd	1,167,270	1.4%	0.9%
TRS	The Reject Shop Ltd	1,122,110	1.3%	0.9%
CWN	Crown Ltd	1,121,554	1.3%	0.9%
HVN	Harvey Norman Holdings Ltd	1,069,450	1.3%	0.8%
FAN	Fantastic Holdings Ltd	1,069,198	1.3%	0.8%

PORTFOLIO STRUCTURE – GROSS ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION



PERFORMANCE TABLE

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Jan 00	Feb 00	Mar 00
Gross Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%	+5.4%	+5.3%
All Ordinaries Accum.	-1.9%	-1.7%	+0.5%	+5.9%	+3.7%	-1.8%	+1.6%	+0.5%
	Apr 00	May 00	Jun 00	Jul 00	Aug 00	Sep 00	Oct 00	Nov 00
Gross Portfolio *	-5.7%	-2.9%	+3.6%	+2.9%	+5.2%	-0.7%	+2.5%	+1.9%
All Ordinaries Accum.	-1.5%	-1.3%	+7.7%	-1.3%	+1.7%	+0.2%	-1.1%	+1.1%
	Dec 00	Jan 01	Feb 01	Mar 01	Apr 01	May 01	Jun 01	July 01
Gross Portfolio *	+0.1%	+1.7%	-0.2%	-3.7%	+3.9%	+6.7%	+6.9%	-1.0%
All Ordinaries Accum.	-2.0%	+4.4%	-0.2%	-4.8%	+5.7%	+1.6%	+3.8%	-4.5%
	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02	Mar 02
Gross Portfolio *	+4.6%	-2.9%	+8.6%	+3.8%	+3.3%	+7.0%	+3.1%	+4.9%
All Ordinaries Accum.	-1.3%	-6.7%	+6.8%	+3.4%	+2.7%	+1.3%	-1.1%	+0.8%
	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02
Gross Portfolio *	-0.4%	+0.7%	-2.2%	-3.0%	+3.9%	-1.1%	+1.1%	+1.6%
All Ordinaries Accum.	-1.8%	+0.9%	-4.4%	-4.1%	+1.8%	-4.1%	+2.6%	+1.5%
	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
Gross Portfolio *	+1.5%	+1.3%	-1.7%	-0.4%	+3.8%	+1.5%	+3.5%	+3.6%
All Ordinaries Accum.	-1.5%	-1.3%	-5.1%	+3.4%	+4.4%	+0.5%	+1.3%	+3.6%
	Aug 03	Sept 03	Oct 03	Nov 03	Dec 03	Jan 04	Feb 04	Mar 04
Gross Portfolio *	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%	+2.7%	+0.1%
All Ordinaries Accum.	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%	+3.1%	+2.0%
	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04
Gross Portfolio *	-1.3%	-0.8%	+1.0%	+2.4%	+1.2%	+2.5%	+2.9%	+3.3%
All Ordinaries Accum.	-0.1%	+1.6%	+2.7%	+0.6%	+1.1%	+3.8%	+3.1%	+4.6%
	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05
Gross Portfolio *	+0.7%	+2.7%	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
All Ordinaries Accum.	+3.0%	+1.3%	+1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06
Gross Portfolio *	+4.0%	+2.7%	+0.1%	+3.1%	+0.8%	+1.6%	+4.9%	+5.3%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%	+0.7%	+4.8%
	Apr 06	May 06	Jun 06	Jul 06	Aug 06	Sep 06	Oct 06	Nov 06
Gross Portfolio *	+2.1%	-2.3%	+0.5%	+0.4%	+3.4%	+2.4%	+4.7%	+3.6%
All Ordinaries Accum.	+2.4%	-4.3%	+1.9%	-1.5%	+3.2%	+1.3%	+4.8%	+2.5%
	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07
Gross Portfolio *	+6.1%	+3.8%	+0.4%	+1.9%	+2.6%	+4.7%	+3.3%	+0.3%
All Ordinaries Accum.	+3.6%	+2.0%	+1.6%	+3.3%	+3.0%	+3.2%	-0.1%	-1.9%
	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08
Gross Portfolio *	-4.2%	+1.7%	+3.1%	-4.8%	-1.1%	-9.5%	-1.3%	-5.3%
All Ordinaries Accum.	+1.7%	+5.8%	+3.1%	-2.4%	-2.4%	-11.2%	+0.3%	-4.1%
	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08
Gross Portfolio *	+1.7%	+2.3%	-7.9%	-1.6%	+1.7%	-5.3%	-9.2%	-5.6%
All Ordinaries Accum.	+4.6%	+2.4%	-7.3%	-5.2%	+4.0%	-10.6%	-13.9%	-7.2%
	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09		Since Inception
Gross Portfolio *	+3.1%	-1.5%	+1.1%	+2.6%	+5.2%	+3.6%		+386.4%
All Ordinaries Accum.	-0.1%	-4.9%	-4.3%	+8.1%	+6.1%	+2.2%		+91.8%

*The change in the portfolio before all expenses, fees and taxes.

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